Performance-Based Contracting CONTENTS

- Performance-Based Contracting Introduction
- Script from video
- Letter (18 Sep 97) Requiring Processes on Contract
 - Includes response from services
- Letter (29 Jun 94) Specs & Standards
- DCMC Memo 97-12 PBBE Products & attachment
- PBBE briefing charts and briefing with note pages
- PBBE article from Program Manager, Feb 98
- Briefing packages from CAOs

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Performance-Based Contracting

- Aspects of Acquisition
 - Structured around purpose of work
 - Manner of accomplishment is left to contractor
- Statement of Work or Objectives
 - Describes what not how
 - Requirements are in performance terms
- Processes on Contract
 - No processes can be put on contract without a waiver
 - Contractor <u>can</u> be required to possess certain management and process capabilities

Performance-Based Contracting

- Other Aspects
 - Use of IPTs, cooperative effort with contractors
 - Use of a Risk Management process and risk sharing between government and contractors
 - Verification based on performance requirements
 - Incremental verifications based on agreed-to metrics
 - Payments can be event or time-based

Performance-Based Contracting

- Guidance Dr. Perry's memo of 29 June 94
 - Resulted in creation of the Performance-Based Business Environment (PBBE) Guides
 - PBBE is a set of eight guides describing a comprehensive approach to Acquisition Reform
- Lessons Learned
 - Briefings from 5 CAOs doing performance-based contracting: DCMC Boeing Seattle, Lockheed-Martin Marietta Georgia, Boeing Long Beach, Pratt-Whitney West Palm Beach, and Lockheed-Martin Fort Worth